

ANNUAL BUDGET PROCESS

The City of Durham's annual budget process, the framework for communicating major financial operational objectives and for allocating resources to achieve them, is a complex undertaking involving the whole government. The process begins in October and runs until the end of June. By State law, the City must adopt an annual budget ordinance by June 30 of each year. Coordination of the process is essential to the building of the budget. To achieve coordination, a calendar of budget activities is summarized below:

<u>October</u>	Management Team discusses and develops overall budget goals for FY 2002-03. Budget and Management Services staff prepares revenue projections.
<u>November</u>	Budget Kick-off Meeting: Manager meets with department and division heads to explain financial and operational objectives.
<u>December</u>	Budget Office projects FY 2002-03 revenue and expenditures estimates.
<u>January</u>	City Council holds a public hearing on the budget. The body also holds a retreat to discuss financial status and operational issues.
<u>February</u>	City Council holds "Coffees with Council" at various sites throughout the City. Departments finalize service goals and work with Budget Staff to finalize funding recommendations.
<u>May</u>	Based on the City Manager's recommendations, the preliminary budget is submitted to the City Council at its second meeting in May. The City Council reviews the proposed budget.
<u>June</u>	Another public hearing is held on the budget. State law requires this public hearing. The Preliminary Budget is approved by the City Council by June 30.

Once the budget is approved, the focus of the budget is upon control. Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by department directors and the Budget Department. The Accounting Services Division of the Finance Department ensures that changes are correctly entered and payments are appropriate.

The Budget and Management Services Department reviews all requests from departments to make sure that sufficient appropriations have been budgeted. All funds are reviewed on a regular basis, and a budget report is submitted to the City Council on a quarterly basis.

The City Manager has the authority to transfer budgeted amounts between departments within any function. However, transfers between functions, additions, or deletions require a budget amendment. To amend the budget, a revised budget ordinance must be approved by the City Council.